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CHILE: The junta continues to consolidate its hold on the country, and indications are increasing that the armed forces and carabineros intend to remain in power for some time.

Armed opposition appears to be tapering off, but military and police units are still flushing out snipers in Santiago and dealing with resistance in the mines. Former army commander Prats appeared on television yesterday to deny that he is leading a resistance movement. Prats declared that he will soon be leaving the country.

The government is beginning to turn more of its attention toward the critical economic situation. A new system has been set up for distribution of commodities, and banks are scheduled to reopen on Monday.

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The junta wants to depoliticize the country. Its dissolution of Congress and strict proscription of military contacts with politicians are signs that an early call for elections is unlikely. According to the constitution, the next scheduled balloting would take place in 1976.

Current plans could change if the problems of governing seem intractable or if frustration erodes determination to rebuild the nation's economic, social, and political structures. Avoidance of direct involvement in government is a deeply rooted tradition in the armed forces and police. A new military-carabinero ethic may grow within the services, however, as the failure of the old political system is used to justify their assumption of power. In very practical terms, the use of a mailed fist against die-hard leftists will make the new regime reluctant to depart until it is convinced that those who would take revenge could never again come to power.

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Failure to respect diplomatic norms could cost the junta needed international support. The UN Security Council will meet on Monday to hear Cuba's complaints of Chilean attacks against its embassy.

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In Western Europe, official opinion and the media have condemned the coup and expressed hope for a quick return to constitutional government. Government leaders in West Germany, Denmark, Sweden, and Finland--all Social Democrats--have made public statements condemning the coup, and a Socialist cabinet minister in Belgium has promised to try to block his country's recognition of the new regime. Sweden has frozen its development aid program to Chile, and Finland may follow suit.

Left-wing elements in a number of European cities have taken to the streets in demonstrations that have been peaceful thus far. A common theme of many of the protests is the alleged complicity of the US, with the CIA, ITT, and Kennecott specifically identified as being involved.

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Reaction to the coup among the more orthodox Eastern European countries has been relatively restrained, suggesting that moderation best serves current Soviet policy interests. Small anti-US demonstrations have taken place in Yugoslavia, however, and both Belgrade and Bucharest have weighed in with strong condemnations.

Belgrade's reaction has been by far the sharpest, and reflects both its long-time commitment to nonalignment and its special interest in the success of Allende, the Western Hemisphere's only elected Marxist. Yugoslav ire was highlighted by vandalism against the US Consulate in Zagreb and later demonstrations at US offices in Belgrade. On 13 September, the authoritative Belgrade daily Borba publicly accused Washington, noting that "pressures from the USA, open or hidden, came one after another." This and other strong condemnations in the press probably reflect Tito's personal anger and may pave the way for further accusations.

In contrast, the Romanians only hinted at foreign involvement, claiming that the coup was "provoked by reactionary forces, in league with imperialism." In addition to expressing "indignation," a declaration by the party Central Committee called for the "immediate cessation" of "acts of terror."

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ARGENTINA: Divisions within the Peronist government have been further emphasized by sharply divergent reactions to the coup in Chile.

The deep rift between the left and right wings of the Peronist movement has been sharpened by a debate on how to deal with the Chilean coup. The immediate issues concern the questions of prompt recognition of the junta and the shipment of emergency medical supplies to Santiago. In a stormy session on 13 September the Senate passed a resolution calling on the executive branch not to recognize the new government and to withdraw the Argentine Embassy from Santiago. Such resolutions, however, are not binding on the government.

Leftists, including Peronist youth, have seized on the Chilean issue to stir up nationalist and anti-US sentiment. In fact, the US Embassy has received a report that the extreme leftist People's Revolutionary Army, a non-Peronist group, is planning a "spectacular" action against the US mission this weekend in retaliation for the Chilean coup. Leftists are playing on fears, prevalent across the political spectrum, that the junta could undertake the "Brazilianization" of Chile, thus completing the "encirclement" of Argentina.

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Peron has paid lip service to the leftist point of view by publicly condemning the coup and suggesting US complicity--a line that appears calculated to retain the support of radical youth.

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Given the depth of the rift between left- and right-wing forces in Argentina, it will be no easy task for Peron to maintain this balancing act indefinitely.

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EGYPT: President Sadat may soon appoint two prominent moderates to his cabinet, giving further impetus to his recent moves away from socialism.

25X1 [redacted] the US Interests Section in Cairo has reported that Sadat is currently meeting with Sayyid Marai, whom Sadat removed as secretary general of the Arab Socialist Union early this year, preparatory to naming Marai prime minister. The appointment reportedly will be made some time before the end of this month and will be accompanied by the reappointment of General Muhammad Ahmad Sadiq as War Minister. Sadiq was dismissed from that post last October.

25X1 [redacted] Moreover, the rehabilitation of Marai and Sadiq--who are both anti-socialist--would correspond with other measures Sadat is experimenting with to move Egypt away from socialism. Sadat has given prominence recently to his plans for a policy shift that would reorient Egypt's socialist base and permit a greater balance in relations with both East and West.

Marai appears never to have been in great disfavor; his dismissal from the ASU post came largely because he did not whole-heartedly support the sweeping nature of the purge of ASU leftists conducted in February and March. He has since served as a presidential assistant. Sadiq is a fervent anti-Soviet who was dismissed last year when Sadat was pressing hard to obtain advanced military equipment from the Soviets. Sadat has now adopted an attitude of friendly aloofness toward the Soviets that could permit Sadiq's return. Sadiq is a popular figure among younger army officers, and there has long been dissatisfaction in this quarter over his removal.

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FOR THE RECORD*

USSR-UN: Soviet Foreign Minister Gromyko arrives in New York tomorrow to attend the opening on Tuesday of the UN General Assembly. Officials in Moscow have indicated that Gromyko plans to spend about ten days in the US and wants to come to Washington for high-level discussions similar to those he has had in the past.

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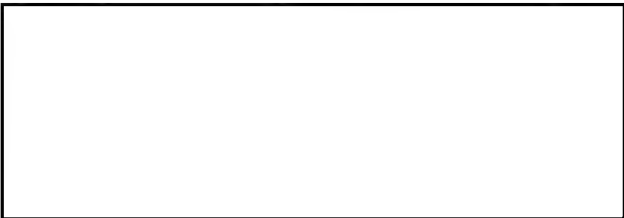
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